

EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
EVANSVILLE DIVISION

IN RE:)
)
EASTERN LIVESTOCK CO., LLC)
)
)
)
Debtor)
)
)

CASE NO. 10- 93904-BHL-11

Chapter 11

**DECLARATION OF JOHN F. MOSELEY, III ON BEHALF OF MOSELEY CATTLE
AUCTION LLC IN SUPPORT OF THE EMERGENCY MOTION OF PETITIONING
CREDITORS UNDER 11 USC §§ 303(f) AND (g), 105 AND 1104(a) FOR AN ORDER
APPOINTING AN INTERIM TRUSTEE, AND AUTHORIZING AND DIRECTING
INTERIM TRUSTEE TO OPERATE DEBTOR'S BUSINESS**

I, John F. Moseley, III, being duly sworn, state:

1. My name is John F. Moseley, III and I am a manager of Moseley Cattle Auction LLC (the "Company").

2. I make this declaration in support of the Emergency Motion of Petitioning Creditors Under 11 U.S.C. §§ 303(f) and (g), 105, and 1104(a), For An Order Appointing Interim Trustee; and Authorizing and Directing Interim Trustee To Operate Debtors' Business. If called upon as a witness, I could and would testify as herein set forth.

3. Eastern Livestock Co. LLC ("Eastern Livestock") is one of the largest cattle brokerage companies in the United States and engages in the business of purchasing cattle at auction, then selling them to feed lots where they gain weight and are prepared for slaughter.

4. The Company holds weekly internet cattle sale every Tuesday. Eastern Livestock purchased cattle at the weekly cattle sale through the bidding process over the phone. The

Company did not require Eastern Livestock to pay any deposit for the cattle it purchased. John F. Moseley, III worked closely with the owners of Eastern Livestock and Southland Truckers on the details of picking up the cattle (pursuant to the attached Exhibit A, Southland Truckers trucked all but one of the loads at issue). The cattle would remain at the farmers' location until John F. Moseley, III picked up the cattle. At that time, John F. Moseley, III would pay the farmer and an invoice would be faxed to Eastern Livestock for the load of cattle. Eastern Livestock would then issue the Company a check for the cattle.

5. Recently, Eastern Livestock has been issuing unfunded checks, prompting an investigation by the Grain Inspection, Packers and Stockyards Administration, which is part of the United States Department of Agriculture.

6. Pursuant to the attached Exhibit A, the Company has not received payments from Eastern Livestock on numerous invoices as well as received "insufficient funds" checks from Eastern Livestock. See Exhibit A. Currently, Eastern Livestock is indebted to the Company in an amount of \$670,949.88 (the "Debt"). The amount of the Debt, which Eastern Livestock owes to the Company, is fully liquidated, non-contingent and undisputed.

7. Further, on November 9, 2010, a receiver for Eastern Livestock was appointed pursuant to a Verified Complaint filed against Eastern Livestock on November 9, 2010 in Hamilton County, Ohio. The receiver took possession and control over all Eastern Livestock's property and assets.

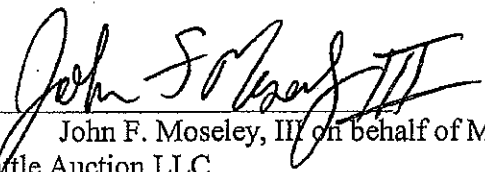
8. On December 1, 2010, Thomas P. Gibson and Patsy M. Gibson, owners of Eastern Livestock, filed a chapter 7 bankruptcy petition in the United States Bankruptcy Court for the Southern District of Indiana.

9. Upon information and belief, Eastern Livestock is not paying its debts as they come due.

10. Therefore, In my opinion, based on: (1) the numerous unpaid invoices and the insufficient funds checks issued to the Company; (2) the allegations referenced in the Hamilton County action; and (3) the resulting order appointing a receiver over Eastern Livestock's assets and property, Eastern Livestock's unlawful activities pose a threat to the Company's business interests and interests of others.

11. Therefore, extraordinary relief in form of an involuntary bankruptcy petition and the appointment of a chapter 11 Trustee is necessary in order to preserve Eastern Livestock's assets for the Company's benefit and for the benefit of others.

I declare under penalty of perjury under the laws of the state of Georgia that the foregoing is true and correct to the best of my knowledge and belief.


John F. Moseley, III on behalf of Moseley
Cattle Auction LLC

STATE OF GEORGIA

)

)ss:

COUNTY OF

Early

)

Subscribed and sworn to me by John F. Moseley, III on behalf of Moseley Cattle Auction LLC
this 6th day of December, 2010.

Marilee A. Clark

Notary Public

My Commission Expires:

~~MY COMMISSION EXPIRES APRIL 28, 2012~~

(SEAL)

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
EVANSVILLE DIVISION

IN RE:

EASTERN LIVESTOCK CO., LLC

Debtor

CASE NO. 10-

93904-BHL-11

Chapter 11

**DECLARATION OF JOHN M. QUEEN, III ON BEHALF OF SOUTHEAST
LIVESTOCK EXCHANGE, LLC IN SUPPORT OF THE EMERGENCY MOTION OF
PETITIONING CREDITORS UNDER 11 USC §§ 303(f) AND (g), 105 AND 1104(a) FOR
AN ORDER APPOINTING AN INTERIM TRUSTEE, AND AUTHORIZING AND
DIRECTING INTERIM TRUSTEE TO OPERATE DEBTOR'S BUSINESS**

I, John M. Queen, III, being duly sworn, state:

1. My name is John M. Queen, III and I am a manager of Southeast Livestock Exchange, LLC (the "Company").

2. I make this declaration in support of the Emergency Motion of Petitioning Creditors Under 11 U.S.C. §§ 303(f) and (g), 105, and 1104(a), For An Order Appointing Interim Trustee; and Authorizing and Directing Interim Trustee To Operate Debtors' Business. If called upon as a witness, I could and would testify as herein set forth.

3. Eastern Livestock Co., LLC ("Eastern Livestock") is one of the largest cattle brokerage companies in the United States and engages in the business of purchasing cattle at auction, then selling them to feed lots where they gain weight and are prepared for slaughter.

4. The Company is a livestock video auction company that sold cattle to Eastern Livestock at auctions held by the Company. The cattle would be picked up at a later date, at

which point an invoice would be sent to Eastern Livestock for the load of cattle. Eastern Livestock would then issue the Company a check for the cattle.

5. Recently, Eastern Livestock has been issuing unfunded checks, prompting an investigation by the Grain Inspection, Packers and Stockyards Administration, which is part of the United States Department of Agriculture.

6. Pursuant to the attached Exhibit A, the Company has not received payments from Eastern Livestock on numerous invoices as well as received "insufficient funds" checks from Eastern Livestock. *See* Exhibit A. Currently, Eastern Livestock is indebted to the Company in an amount of \$774,513.54 (the "Debt"). The amount of the Debt, which Eastern Livestock owes to the Company, is fully liquidated, non-contingent and undisputed.

7. Further, on November 9, 2010, a receiver for Eastern Livestock was appointed pursuant to a Verified Complaint filed against Eastern Livestock on November 9, 2010 in Hamilton County, Ohio. The receiver took possession and control over all Eastern Livestock's property and assets.

8. On December 1, 2010, Thomas P. Gibson and Patsy M. Gibson, owners of Eastern Livestock, filed a chapter 7 bankruptcy petition in the United States Bankruptcy Court for the Southern District of Indiana.

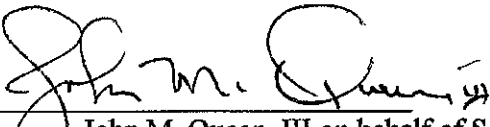
9. Upon information and belief, Eastern Livestock is not paying its debts as they come due.

10. In my opinion, based on: (1) numerous unpaid invoices and the insufficient funds checks issued to the Company; (2) the allegations referenced in the Hamilton County action; and (3) the resulting order appointing a receiver over Eastern Livestock's assets and property,

Eastern Livestock's unlawful activities pose a threat to the Company's business interest and interests of others.

11. Therefore, extraordinary relief in form of an involuntary bankruptcy petition and the appointment of a chapter 11 Trustee is necessary in order to preserve Eastern Livestock's assets for the Company's benefit and for the benefit of others.

I declare under penalty of perjury under the laws of the state of North Carolina that the foregoing is true and correct to the best of my knowledge and belief.


John M. Queen, III on behalf of Southeast
Livestock Exchange, LLC

STATE OF NORTH CAROLINA

)

)ss:

COUNTY OF Haywood

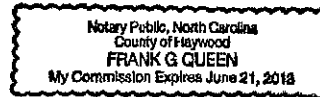
)

Subscribed and sworn to me by John M. Queen, III on behalf of Southeast Livestock Exchange, LLC this 6th day of December, 2010.

Frank G. Queen

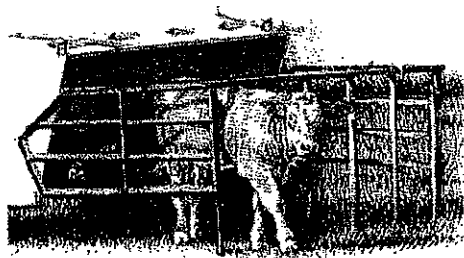
FRANK G. QUEEN, Notary Public

My Commission Expires: 6/21/2013



(SEAL)

EXHIBIT A



**SOUTHEAST LIVESTOCK
EXCHANGE, LLC**

P.O. BOX 1306
WAYNESVILLE, NC 28786

828-454-0267

828-454-0268 FAX

Returned checks

lot	number head	kind	amount	shipping date	destination name	location
461	62	steers	\$49,155.26	10/26/10	JBS-Five Rivers	Yuma, CO
191	77	steers	\$52,471.00	10/25/10	JBS-Five Rivers	Yuma, CO
284	71	heifers	\$51,551.02	10/25/10	JBS-Five Rivers	Yuma, CO
240	81	steers	\$54,463.66	10/22/10	Larry Zeien	Atkinson, IL
243	73	steers	\$55,378.73	10/22/10	Larry Zeien	Atkinson, IL
259	65	steers	\$53,318.10	10/22/10	Larry Zeien	Atkinson, IL
370	124	heifers	\$97,767.00	10/27/10	Kuner Feedlot	Lamar, CO
371	115	heifers	\$96,649.68	10/25/10	Kuner Feedlot	Lamar, CO
		total	\$510,754.45			

Unpaid Invoices

lot	number head	kind	amount	shipping date	destination name	location
317	67	steers	\$52,801.85	11/1/10	JBS-Five Rivers	XIT Feeders Dalhart, TX
318	57	steers	\$50,773.37	11/1/10	JBS-Five Rivers	XIT Feeders Dalhart, TX
310	84	heifers	\$50,616.30	11/3/10	Friona Industries	Amarillo, TX
251	136	steers	\$109,567.57	11/1/10	Larry Zeien	Atkinson, IL
		total	\$263,759.09			

grand total \$774,513.54

John M. Queen, III
cell: 828-421-3446
selex@bellsouth.net

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
EVANSVILLE DIVISION

IN RE:

EASTERN LIVESTOCK CO., LLC

Debtor

CASE NO. 10-93904-BHL-11

Chapter 11

**DECLARATION OF DAVID L. RINGS IN SUPPORT OF THE EMERGENCY MOTION
OF PETITIONING CREDITORS UNDER 11 USC §§ 303(f) AND (g), 105 AND 1104(a)
FOR AN ORDER APPOINTING AN INTERIM TRUSTEE, AND AUTHORIZING AND
DIRECTING INTERIM TRUSTEE TO OPERATE DEBTOR'S BUSINESS**

I, David L. Rings, being duly sworn, state:

1. My name is David L. Rings and I own and operate a farming operation in Russell Springs, Kentucky.

2. I make this declaration in support of the Emergency Motion of Petitioning Creditors Under 11 U.S.C. §§ 303(f) and (g), 105, and 1104(a), For An Order Appointing Interim Trustee; and Authorizing and Directing Interim Trustee To Operate Debtors' Business. If called upon as a witness, I could and would testify as herein set forth.

3. Eastern Livestock Co. LLC ("Eastern Livestock") is one of the largest cattle brokerage companies in the United States and engages in the business of purchasing cattle at auction, then selling them to feed lots where they gain weight and are prepared for slaughter.

4. Recently, Eastern Livestock has been issuing unfunded checks, prompting an investigation by the Grain Inspection, Packers and Stockyards Administration, which is part of the United States Department of Agriculture.

5. On October 19, 2010, I sold seven cows to Eastern Livestock and Eastern Livestock issued a check to me in an amount of \$7,100(the "Debt"). The amount of the Debt, which Eastern Livestock owed, is fully liquidated, non-contingent and undisputed.

6. On November 5, 2010, I attempted to deposit the check issued by Eastern Livestock and the check was returned as drawn on insufficient funds, resulting in a \$7,100 personal loss. I am currently still owed the Debt by Eastern Livestock. See attached Exhibit A.

7. Further, on November 9, 2010, a receiver for Eastern Livestock was appointed pursuant to a Verified Complaint filed against Eastern Livestock on November 9, 2010 in Hamilton County, Ohio. The receiver took possession and control over all Eastern Livestock's property and assets.

8. On December 1, Thomas P. Gibson and Patsy M. Gibson, owners of Eastern Livestock, filed a chapter 7 bankruptcy petition in the United States Bankruptcy Court for the Southern District of Indiana.

9. Upon information and belief, Eastern Livestock is not paying its debts as they come due.

10. Therefore, In my opinion, based on: (1) the insufficient funds check issued to me/company; (2) the allegations referenced in the Hamilton County action; and (3) the resulting order appointing a receiver over Eastern Livestock's assets and property, Eastern Livestock's unlawful activities pose a threat to my/company's business interest and interests of others.

11. Therefore, extraordinary relief in form of an involuntary bankruptcy petition and the appointment of a chapter 11 Trustee is necessary in order to preserve Eastern Livestock's assets for my benefit and for the benefit of others.

I declare under penalty of perjury under the laws of the Commonwealth of Kentucky that
the foregoing is true and correct to the best of my knowledge and belief.



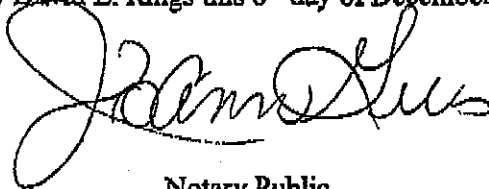
David L. Rings

COMMONWEALTH OF KENTUCKY)

COUNTY OF Russell)

)ss:

Subscribed and sworn to me by David L. Rings this 6th day of December, 2010.



Notary Public

My Commission Expires: 7-12-12



(SEAL)

EXHIBIT A

OMB CONTROL NO. 0580-0015

U.S. Department of Agriculture Grain Inspection, Packers and Stockyards Administration Packers and Stockyards Program	Proof of Claim Under: 1. Surety Bond, (Clause 2, 3, or 4) 2. Trust Fund Agreement, (Clause 2, 3, or 4) 3. Trust Agreement, (Clause 2, 3, or 4) Issued Under Provisions of The Packers and Stockyards Act, 1921, as Amended and Supplemented
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State of (1) Kentucky

County (2) Russell

As the undersigned, I, (3) DAVID L. Rings
1288 Frontage Road (full name of claimant)
Of (4) Russell Springs, Ky 42642 (5) 270-866-5535/270-585-1824
(complete mailing address) (phone: home, cell)
bonairfarms@yahoo.com
(other contact information: fax number, email address)

being duly sworn, depose and state:

I make this claim to (6) Capital Indemnity Corp
(name of trustee or surety)

Select One:

<input checked="" type="checkbox"/> under the bond issued by the (7a) <u>Capital Indemnity Corp</u> (name of surety company)
<input type="checkbox"/> under the Trust Fund Agreement with security held by (7b) (depository, if one named)
<input type="checkbox"/> under the Trust Agreement with letter of credit held by (7c) (name of trustee)

on behalf of (8) Eastern Livestock Co. LLC
(full name and address of principle named in bond or trust agreement)
135 W. Market, New Albany, IN 47150

in the amount of (9) 7153.45, due and owing for livestock purchased by

(10) Eastern Livestock Co. New Albany
(full name and address of buyer) Clause 2, 3, or 4

for his own account or as a market agency buying livestock on a commission basis. This

OMB CONTROL NO. 0580-0015

claim is based on the following described livestock which was purchased by

(11) Eastern Livestock, LLC
 (name of buyer) Clause 2, 3, or 4

(12)

Date of Sale	Number of Head	Description of Livestock	Amount
10/19/10	4	Blk. Heifers	\$ 3985.80
10/19/10	3	Blk. Steers	3217.25

Attached and made a part of this claim are copies of the account of purchase and other documents covering the livestock transaction, such as copies of checks issued and unpaid for the livestock purchased by:

(13) Eastern Livestock
 (name of buyer) Clause 2, 3, or 4

and other documents indicating the sale of the livestock in question to such purchaser

for which payment has not been made. (If full and complete documents of the transaction are not available or if these papers have become lost or destroyed, the claimant should insert a statement below of the facts.)

(14) _____

OMB CONTROL NO. 0580-0015

None of the claimed amounts has been paid, and there are no setoffs or counterclaims to the same.

I hereby authorize the Grain Inspection, Packers and Stockyards Administration, Packers and Stockyards Program to release this proof of claim form and all of the attached supporting documents to the trustee or other interested parties to facilitate the processing of my claim.

(15) David L. Rings
(signature and title of claimant)

(16) Subscribed and sworn to before me this 15 day of Nov, 20 10.

(17) John H. Kelly

(18) Notary Public for the State of Ky

(19) Residing at Odessa

My commission expires

(20) 7-12-12 (seal)

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Print Selected Images

Page 2 of 5

Account	Serial Number	Date	Amount
7480493837	15768	11/10/2010	\$7,153.45

Front Image

TRIPS Return - Refer to Maker

EASTERN LIVESTOCK CO., LLC
 185 WEST MARKET
 NEW ALBANY, IN 47180
 812-648-9035

Fifth Third Bank
 NO. F 015768

SEVEN THOUSAND ONE HUNDRED FIFTY THREE & 45/100 DOLLARS

DATE AMOUNT
 10/19/10 \$***7,153.45

PAY TO THE ORDER OF
 DAVE RINGS
 6170 S HWY 76
 RUSSELL SPRINGS KY 42642

EASTERN LIVESTOCK CO., LLC
 VOID IF NOT CASHED IN 90 DAYS
Grant Gibson

#D15768# 4042100272# 7480493837#

Back Image

WACHOVIA CREDIT SERVICES,
 FIVE FIFTH AVENUE, 10TH FLOOR,
 NEW YORK, NY 10003
 FOR DEPOSIT ONLY TO THE
 ACCOUNT OF AGRIBANK, FCB

PL- 11/05/10-000002250

Wachovia certifies that the above image(s) accurately represents the physical item from which it was produced.

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===== L-I-V-E-S-T-O-C-K=====
--COD-----TAG HD DESC-----NUMB NAME-----WEIGHT-----TOTAL-----
59      1  4      F      2  10X      1186  4,745  84.00 L  3,985.80
59      2  3      F      2  10      1262  3,785  85.00 L  3,217.25
=====
CLF      7      8,530  7203.05 1218  84.44 1029.00  7,203.05
    
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10/19/10 GRAND TOTAL GROSS-----7 7,203.05
=====
COMMISSION CHECK/OFF YARDAGE INSUR VET YDG#2 VOL/DED NET/CHECK-----
7.00 21.00 21.60 7,153.45
    
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DAVE RINGS 9905
 P&S/CODES: 0=OFFICER B=BONDED BUYER E=EMPLOYEE M=MARKET SUPPORT

EASTERN LIVESTOCK CO., LLC
 135 WEST MARKET

NO. F 015768